

DRAFT
REW:gmh
27 May 1954

PROCEDURE COVERING ADVANCES
TO OTHER GOVERNMENT AGENCIES

CONTENTS

Page No.

1. PURPOSE.....	
2. GENERAL.....	
3. DEFINITIONS.....	
4. RESPONSIBILITIES.....	
5. PROCEDURE.....	
6. EFFECTIVE DATE.....	

1. PURPOSE

The purpose of this procedure is to establish responsibilities relative to furnishing the Office of the Comptroller (Finance or Fiscal Division) appropriate receiving reports covering services rendered or supplies and equipment received and a uniform accounting procedure covering advances made to other Government agencies.

2. GENERAL

a. Generally advances are made to other Government agencies for (1) services to be rendered, (2) supplies and equipment to be delivered at a future date, (3) research and development projects wherein a report of findings, analysis report, or a proto-type piece of equipment is to be received, (4) as a contribution to a research and development project conducted by another agency wherein at the completion of the project the results or findings are to be shared mutually by each of the contributors, or (5) advances which are made and CIA will not receive any tangible report of results or piece of property.

b. All advances to other Government agencies will be recorded in Account 146.4 Advances - Other Government Agencies pending the receipt of a

properly executed "receiving report" which will indicate that (1) services have been rendered, (2) supplies and equipment have been received, (3) a report, blue print or proto-type piece of equipment has been received, (4) the results or findings of a research or development project has been received or (5) a statement by the authorizing officer that ^{CIA} ~~the Agency~~ will not receive any report or other tangible evidence of benefit as a result of the advance.

- c. Upon receipt of the receiving reports or statement by the authorizing officer, described above, the Office of the Comptroller (Finance or Fiscal Division) will liquidate the Advance Account (146.4) ^{with} ~~and~~ a contra debit to the appropriate account.

3. DEFINITIONS

To establish a common ground of understanding, a list of terms used in this procedure and their definitions are presented for guidance as follows:

- a. Accounting - A presentation of a receiving report or statement by the "Approving Officer" evidencing the receipt of (1) services rendered, (2) supplies and equipment, (3) report of findings or analysis report, (4) blue prints, drawings or proto-type piece of equipment, or (5) statement by approving officer that there will be NO tangible benefit received by CIA.
- b. Advance - Funds which are provided in contemplation of the receipt of goods, services, or other assets.
- c. Approving Officer - Designated in accordance with R [REDACTED]
- d. Blue Print or Drawings - The results or completion of a requirement under the terms of a ~~research or development~~ contract.

25X1A

~~SECRET~~
~~SECRET~~

- e. Contracting Officer - Employee delegated to negotiate contracts and agreement on behalf of the Agency as per authority granted by Chief, Logistics Office by Agency R [REDACTED]
- f. Proto-Type - A piece of equipment developed and manufactured as a model under the terms of a ~~research and development~~ contract.
- g. Receiving Report - An executed document indicating the receipt of services rendered, supplies or equipment, report of findings or analysis report, a proto-type piece of equipment by ^{CIA} ~~the Agency~~.
- h. Report of Findings - Findings or analysis report received by CIA under the terms of a research and development contract.
- i. Statement - A certified statement ^{MEMORANDUM} made by the "Approving Officer" that CIA will not receive any tangible evidence of benefit in connection with the advance of funds.

4. RESPONSIBILITIES

a. Requisitioning Office, Staff or Division

The requisitioning office, staff or division requesting (1) services to be rendered, (2) that a research or development contract be negotiated, or (3) that funds be advanced to another agency for any purpose where the benefits to CIA are intangible, will be responsible jointly with the contracting Officer for the submission of appropriate receiving reports to the Office of the Comptroller (Finance or Fiscal Division) which indicate that (1) the services have been rendered, (2) that a report of findings or analysis report has been received, (3) blue prints, drawings or a proto-type piece of equipment has been received and where an advance is made and there will not be any tangible benefits

~~SECRET~~
~~SECRET~~

25X1A

~~SECRET~~

to CIA a certified statement will be made by the approving officer of the requisitioning office.

b. Contracting Officer

The contracting officer will be jointly responsible with the requisitioning office for the submission of appropriate receiving reports to the Office of the Comptroller (Finance or Fiscal Division) that (1) services have been rendered (2) a report of findings or analysis report has been received, (3) that blue prints, drawings or a proto-type piece of equipment has been received, and (4) jointly responsible with the Supply Division (IO) for supplies and equipment delivered to ZI locations or delivered directly to overseas locations.

5. PROCEDURES

a. Requisitioning Office

- (1) Requisitions will be processed in accordance with Logistics Office requisitioning procedure for (a) services to be rendered, (b) a research and development contract, letter order, or agreement, or (c) the procurement of supplies and equipment. When a requisition is processed which will cause funds to be advanced for an undertaking and CIA will not receive any tangible benefits the approving officer will attach a certified statement (See Exhibit "A", attached) to the requisition prior to its submission to the contracting officer.
- (2) The requisitioning office (approving officer) will prepare a receiving report (See Exhibit "B" attached), which will cover the receipt of (a) services rendered, (b) a report of findings or analysis report,

~~SECRET~~

or (c) blue prints, drawings or a proto-type piece of equipment and forward the original report to the Office of the Comptroller (Finance or Fiscal Division) and a copy to the appropriate contracting officer.

- (3) The requisitioning office (approving officer) will not be required to submit receiving reports for supplies and equipment delivered to a ZI location or shipped direct to an overseas location from a ZI location under the terms of a contract, letter order, or agreement. The provisions of the Financial and Accounting Procedures for Property provide for a receiving report to be submitted to the Office of the Comptroller (Finance Division) by the Logistics Office (Supply Division).

b. Contracting Officer

- (1) The contracting officer based on a properly approved requisition will negotiate a contract, letter order, or agreement with other Government agencies.
- (2) Contracts, letter orders, or agreements negotiated with other Government agencies which call for (a) services to be rendered, (b) a report of findings or analysis reports, or (c) blue prints, drawings or a proto-type piece of equipment, must include a provision for the Agency to furnish a statement, as applicable, indicating that (a) services have been rendered, (b) a report of findings or analysis report has been submitted, or (c) blue prints, drawings, or the proto-type piece of equipment has been submitted to CIA.
- (3) Contracts, letter orders, or agreements for the procurement of supplies and equipment must include a provision for the agency to furnish a statement indicating that all deliveries have been made.

- (4) Copies of the statements required by items (2) and (3) will be furnished to the Office of the Comptroller (Finance or Fiscal Division, as applicable).

c. Office of the Comptroller

(1) General

It will be the policy of the Comptroller that all advance of funds to Other Government agencies be recorded as an asset on the records of the Finance or Fiscal Division, as applicable. The asset accounts will be credited and the appropriate accounts charged based upon a receiving report or certified statement, as applicable, received from the source as per a. and b., above.

(2) Accounting Procedure to be Followed for Advances to Other Government Agencies

(a) Obligations

(1) Vouchered Allotments

Contracts, letter orders, or agreements received which indicate that the expenditure(s) will be chargeable against a vouchered fund allotment will be obligated for the dollar value indicated on the instrument against the respective allotment records maintained by the Fiscal Division prior to the disbursement.

(2) Confidential Fund Allotments

Contracts, letter orders, or agreements received which indicate that the expenditure(s) will be chargeable against a confidential fund allotment must carry an indication that funds have been obligated against the

respective allotment by the office responsible for maintaining the allotment control record prior to the disbursement of funds

(b) Disbursements

The advance of funds to other Government agencies may be disbursed "overtly" and subsequently charged to a vouchered fund allotment or subsequently charged to a confidential fund allotment. The advance may be "covertly" disbursed and subsequently charged to a confidential fund allotment.

(c) Accounting entries for Finance or Fiscal Division, as Applicable

(1) Overt Disbursement - Chargeable to a Vouchered Fund Allotment - Except for Property Under Financial Control

(a) Fiscal Division

The accounting copy of the disbursement voucher will be recorded as follows:

Dr. 146.4 - Advances - Other Government Agencies

Cr. 106 - Disbursing Officers Cash.

(b) Finance Division

Not applicable.

(2) Overt Disbursement - Chargeable to a Vouchered Allotment - For Property Under Financial Control

(a) Fiscal Division

The accounting copy of the disbursement voucher will be recorded as follows:

Dr. 91.5 - Expenditures from Overt Allotments for Property

(b) Finance Division

Dr. 146.4 - Advances - Other Government Agencies

Cr. 535 - Expenditures From Overt Allotments
for Property

(3) Overt Disbursement - Chargeable to a Confidential
Fund Allotment

(a) Fiscal Division

The accounting copy of the disbursement voucher
will be recorded as follows:

Dr. 135 - Disbursing Officer's Cash Available
to Finance Division

Cr. 106 - Disbursing Officer's Cash

(b) Finance Division

Dr. 146.4 - Advances - Other Government Agencies

Cr. 135 - Disbursing Officer's Cash Available
to Finance Division

25X1A

(a) Fiscal Division - Not applicable

(b) Finance Division

Dr. 146.4 - Advances - Other Government Agencies

Cr. 100 - Applicable Cash Account

(a) Liquidation of Advance Accounts

Receiving reports, Schedule of Collections (refunds of cash),
or certified statement memorandum will be the media used to
decrease the advance account, liquidate the obligation and
record the allotment expenditure. The receiving reports fall
into three classes, those receiving reports used under the

Receiving Report Memorandum (Exhibit "B") and the
Certified Statement Memorandum (Exhibit "A").

(1) Receiving Reports, Memorandum or Schedule of
Collections - Vouchered Allotment Except for
Property Under Financial Control

(a) Fiscal Division

Receiving reports or receiving report memorandum -
except for property under financial control:

Dr. 40.1 - Current Costs
Cr. 146.4 - Advances - Other Government Agencies
Dr. 520 - Unliquidated Obligations
Cr. 530 - Expended Appropriation

Schedule of Collections (Refunds of Cash)

Dr. 106 - Disbursing Officer's Cash
Cr. 146.4 - Advances - Other Government Agencies
Dr. 520 - Unliquidated Obligations
Cr. 510 - Unobligated Obligations

(b) Finance Division - Not applicable.

(2) Schedule of Collections (Refunds of Cash)

Confidential Fund Allotments

Schedule of Collections covering the unused portion
of funds advanced to Other Government Agencies will
be processed as follows:

(a) Fiscal Division

Dr. 106 - Disbursing Officer's Cash
Cr. 135 - Disbursing Officer's Cash Avail-
able to Finance Division

(b) Finance Division

Dr. 135 - Disbursing Officer's Cash Available to
Finance Division
Cr. 146.4 - Advance - Other Government Agencies
and
Dr. 520 - Unliquidated Obligations
Cr. 510 - Unobligated Obligations

(3) Receiving Reports for Property Under Financial Control

Receiving reports which are received in accordance with the Financial and Accounting Procedure for Property will be processed as follows:

(a) Fiscal Division - Not applicable.

(b) Finance Division

Dr. 303.2 - Accounts Payable - Property
Cr. 146.4 - Advances - Other Government Agencies
and

Dr. 520 - Unliquidated Obligations
Cr. 530 - Expended Appropriations

(4) Certified Statement Memorandum

Certified Statement Memorandum (Exhibit "A") will be received and processed as follows:

(a) Fiscal Division - Vouchered Fund Allotments

Dr. 40.1 - Current Cost
Cr. 146.4 - Advances - Other Government Agencies

(b) Finance Division - Confidential Fund Allotment

Dr. 600.1 - Current Cost - Direct Charges
Cr. 146.4 - Advances - Other Government Agencies.

6. EFFECTIVE DATE - 1 July 1954.

EXHIBIT "A"

CERTIFIED STATEMENT MEMORANDUM

Date _____

Office of Comptroller

* ☐ Fiscal or ☐ Finance Division

"I certify that CIA will not receive any tangible benefits
from the funds advanced to _____
(Name of Agency)

in connection with requisition No _____ and should be
costed at the time funds are disbursed against Cost Symbol
(Allotment) _____"

Approving Officer

Date _____

* ☐ Contract No. _____

☐ Letter Order No. _____

Applies to Req. No. _____

☐ Agreement No. _____

Contracting Officer

* Check Applicable Block.

No. Copies: Original and Three

Distribution: 1 - Original attached to disbursement copy of
contract
2 - Copy - Retained by Contracting Office
3 - Copy - Returned by Contracting Officer to
Approving Officer after completion
4 - Copy - Retain file copy.

~~SECRET~~
EXHIBIT "B"

RECEIVING REPORT MEMORANDUM

Date _____

Office of the Comptroller

ATTN: * ☐ Fiscal - ☐ Finance

I certify that:

- * ☐ Services have been rendered
- ☐ Report of findings or analysis report
- ☐ Blue Print, Drawings or Proto-Type piece of equipment

has been received as authorized by:

- * ☐ Contract No. _____
- ☐ Letter Order No. _____
- ☐ Agreement No. _____

Approving Officer

*Check Appropriate Block.

No. Copies - Original and 2

Distribution: 1 - Original - Office of Comptroller
(Fiscal or Finance)
2 - Copy - Contracting Officer
3 - Copy - Retain in files.